



March 28, 2003

ENGROSSED

SENATE BILL No. 461

DIGEST OF SB 461 (Updated March 26, 2003 12:17 PM - DI 77)

Citations Affected: IC 4-6; IC 12-15.

Synopsis: Medicaid fraud control unit authority. States that the state Medicaid fraud control unit has the authority to investigate Medicaid fraud, misappropriation of a Medicaid patient's private funds, abuse, and neglect of Medicaid patients and patients in board and care facilities in accordance with federal law. Authorizes a court to order a provider to reimburse the attorney general for the reasonable costs of the attorney general's investigation and enforcement of Medicaid fraud. (Current law limits the award to \$500.) Makes conforming amendments.

Effective: July 1, 2003.

Miller, Meeks R

(HOUSE SPONSORS — BROWN C, WELCH, BUELL)

January 21, 2003, read first time and referred to Committee on Health and Provider Services.

January 30, 2003, reported favorably — Do Pass.

February 4, 2003, read second time, amended, ordered engrossed.

February 5, 2003, engrossed.

February 6, 2003, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

March 4, 2003, read first time and referred to Committee on Public Health.

March 27, 2003, reported — Do Pass. Recommitted to Committee on Ways and Means.

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ES 461—LS 7722/DI 104+



March 28, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

ENGROSSED SENATE BILL No. 461

A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-6-10-1.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2003]: **Sec. 1.5. The state Medicaid fraud control unit has the**
4 **authority to:**

5 (1) **investigate, in accordance with federal law (42 U.S.C.1396**
6 **et seq.):**

7 (A) **Medicaid fraud;**

8 (B) **misappropriation of a Medicaid patient's private funds;**

9 (C) **abuse of Medicaid patients; and**

10 (D) **neglect of Medicaid patients; and**

11 (2) **investigate, in accordance with federal law (42 U.S.C. 1396**
12 **et seq.) and as allowed under 42 U.S.C. 1396b(q)(4)(A)(ii),**
13 **abuse or neglect of patients in board and care facilities.**

14 SECTION 2. IC 4-6-10-3 IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE JULY 1, 2003]: **Sec. 3. The attorney general and an**
16 **investigator of the Medicaid fraud control unit, when engaged in:**

17 (1) **an investigation of an alleged offense involving Medicaid**

ES 461—LS 7722/DI 104+



1 ~~fraud~~; under section 1.5 of this chapter; or

2 (2) the prosecution of an alleged offense involving Medicaid
3 ~~fraud~~; that has been referred to the attorney general under
4 IC 12-15-23-6;

5 may issue, serve, and apply to a court to enforce, a subpoena for a
6 witness to appear before the attorney general in person to produce
7 books, papers, or other records, including records stored in electronic
8 data processing systems, for inspection and examination.

9 SECTION 3. IC 12-15-23-6 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) If the state
11 Medicaid fraud control unit determines that an action based on the state
12 Medicaid fraud control unit's investigations **under the unit's authority**
13 **under IC 4-6-10-1.5** is meritorious, the unit shall certify the facts
14 drawn from the investigation to the prosecuting attorney of the judicial
15 circuit in which the crime may have been committed.

16 (b) The state Medicaid fraud control unit shall assist the prosecuting
17 attorney in prosecuting an action under this section.

18 (c) A prosecuting attorney to whom facts concerning alleged
19 Medicaid fraud are certified under subsection (a) may refer the matter
20 to the attorney general.

21 (d) If a matter has been referred to the attorney general under
22 subsection (c), the attorney general may:

23 (1) file an information in a court with jurisdiction over the matter
24 in the county in which the offense is alleged to have been
25 committed; and

26 (2) prosecute the alleged offense.

27 SECTION 4. IC 12-15-23-8 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) Subject to
29 subsection (b), if the court finds in favor of the attorney general in a
30 civil action brought by the attorney general under section 7 of this
31 chapter, the court may do the following:

32 (1) Award damages against the provider of not more than three
33 (3) times the amount paid to the provider in excess of the amount
34 that was legally due.

35 (2) Assess a civil penalty against the provider of not more than
36 five hundred dollars (\$500) for each instance of overpayment
37 found by the court.

38 (3) Order the provider to reimburse the attorney general for the
39 reasonable costs of the attorney general's investigation ~~of not~~
40 ~~more than five hundred dollars (\$500):~~ **and enforcement action.**

41 (4) Take any combination of the actions described in subdivisions
42 (1), (2), and (3).



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- 1 (b) The court may only take action under subsection (a)(2) and
- 2 (a)(3) if the provider knew or had reason to know that an item or a
- 3 service was not provided as claimed.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 461, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 461 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 10, Nays 0.

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SENATE MOTION

Mr. President: I move that Senator Meeks R be added as second author of Engrossed Senate Bill 461.

MILLER

 SENATE MOTION

Mr. President: I move that Senate Bill 461 be amended to read as follows:

Page 1, line 8, after "(B)" insert "**misappropriation of a Medicaid patient's private funds;**

(C)".

Page 1, line 9, delete "(C)" and insert "(D)".

Page 1, line 12, after "abuse" insert "**or neglect**".

Page 1, line 16, strike "involving Medicaid".

Page 1, line 17, strike "fraud;" and insert "**under section 1.5 of this chapter.**".

Page 2, line 1, strike "involving Medicaid".

Page 2, line 2, strike "fraud,".

Page 2, line 2, delete "abuse of a Medicaid recipient, or neglect of a Medicaid".

Page 2, line 3, delete "recipient investigated under section 1.5 of this chapter or".

Page 3, delete lines 4 through 11.

(Reference is to SB 461 as printed January 31, 2003.)

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred Senate Bill 461, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BROWN C, Chair

Committee Vote: yeas 13, nays 0.

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